



**Escorts
Investment
Bank**

QUARTERLY REPORT

CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE PERIOD ENDED
30 SEPTEMBER 2023





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Tahir Nawazish
(Chairman)
Mr. Basit Rahman Malik (Chief Executive Officer)
Ms. Madiha Arooj
Mr. Muhammad Rasheed Alam

CHIEF FINANCIAL OFFICER

Ms. Najma Fazal

COMPANY SECRETARY

Kamran Chughtai

EXTERNAL AUDITORS

Ilyas Saeed & Company
Chartered Accountants

TAX CONSULTANTS

Ilyas Saeed & Company

LEGAL ADVISOR

Mandviwalla & Zafar
Advocates

SHARE REGISTRAR

Hameed Majeed Associates (Private) Limited

BANKERS TO THE COMPANY

Bank Alfalah Limited
MCB Bank Limited
Sindh Bank Limited
United Bank Limited

REGISTERED OFFICE

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DIRECTORS' REPORT

The Board of Directors of Escorts Investment Bank Limited (“**Company**”) is pleased to present the Directors' report together with the condensed interim financial statements (un-audited) of the Company for the period ended on 30 Sep 2023.

ECONOMY REVIEW

The global economic outlook remains weak. International Monetary Fund (IMF) observed that global growth is reliant on expansions in the emerging economies whereas the advanced economies are mostly stagnant.

Supply-chain disruptions from the Russia-Ukraine conflict, as well as restrictions on food exports, could worsen food inflation and food insecurity globally.

Asia and the Pacific continuing their economic recovery. Growth is supported by strong domestic demand, reviving tourism, and stable financial conditions, even as export demand remains weak. Inflation is slowing, on account of lower food and energy prices as well as the vigilance of central banks across the region. Asian Development Outlook September 2023 forecasts that economies in developing Asia and the Pacific will expand by 4.7%.

In Pakistan, Consumer Price Index (CPI) inflation was recorded at 27.4 percent on a YoY basis in August 2023 as compared to 27.3 percent in August 2022. In August 2023 it increased 1.7% as compared to an increase of 3.5% last month. The interim government has taken stern administrative measures to tackle with hoarding of commodities and it has resulted in moderating the inflation pressure. The government is also dealing strictly to improve the PKR against foreign currency by strictly monitoring the currency dealers and likewise cracking down on the alternative remittance system (hawala or hundi) that operates outside of formal banking channels. These measures have strengthened the Rupee.

Subsequently, the government has reduced fuel prices due to the strengthened Rupee and the downward trend in fuel prices internationally. Hopefully, these factors will help in curtailing inflation and this will have a positive impact on businesses.

Monitory Policy Committee has maintained the policy rate at 22 percent in September 2023, on account of an improved inflation outlook.

BUSINESS AND OPERATION REVIEW

During the period under review, EIBL posted loss before tax of Rs. 3.851 million as against Rs. 8.803 million for the corresponding period last year. Revenues during the period has been improved considerably and showed an increase of 30.61% as the revenues earned during the quarter were Rs. 37.321 million as compared to Rs. 28.575 million for the corresponding period last year.

Loss after taxation is mere Rs. 0.805 million as compared to Rs. 9.018 million for the same period last year showing an improvement of 91.07% and the Company has touched almost a breakeven. This clearly depicts that the direction of your Company has been steered in the right direction and it is turning around.

The financial results are as under:

Description	Three months period ended	
	30 Sep 2023	30 Sep 2022
Revenue	37,321,416	28,575,260
Loss before provision & taxation	(3,851,545)	(8,803,576)
Provisions – net	(1,997,842)	(631,307)
Taxation expense	(3,046,495)	(215,337)
Loss after taxation	(805,021)	(9,018,913)
Earning per share	(0.0003)	(0.07)

ACKNOWLEDGEMENT

The Directors wish to place on record the gratitude to its customer for their valued support. The Board would also like to thank and acknowledge the efforts of the sponsors for their continued support which will continue to enhance our capabilities to achieve our objectives.

For and on behalf of the Board,



Mr. Basit Rehamn Malik
CEO & Director



Syed Tahir Nawazish
Chairman

27 October, 2023

ڈائریکٹرز کی رپورٹ

ایسکارٹس انوسٹمنٹ بینک لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی مدت کے لیے کمپنی کے مجموعی عبوری مالیاتی گوشوارے (غیر آڈٹ شدہ) معہ ڈائریکٹرز کی رپورٹ پیش کرنے پر خوشی کا اظہار کرتے ہیں۔

معیشت کا جائزہ

عالمی اقتصادی آثار بظاہر کمزور نظر آتے ہیں۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے مطابق عالمی نمو ابھرتی ہوئی معیشتوں میں توسیع پر منحصر ہے جبکہ ترقی یافتہ معیشتیں زیادہ تر جمود کا شکار ہیں۔

روس - یوکرین تنازعہ سے سپلائی چین میں رکاوٹیں، نیز خوراک کی برآمدات پر پابندیاں عالمی سطح پر غذائی افراط زر اور غذائی عدم تحفظ کو مزید مندوش کر سکتی ہیں۔

ایشیا اور بحر الکاہل اپنی اقتصادی بحالی کو جاری رکھے ہوئے ہیں۔ ترقی کو مضبوط گھر بلو طلب، سیاحت کی بحالی، اور مستحکم مالی حالات سے استحکام ملتا ہے، یہاں تک کہ برآمدات کی طلب کم ہے۔ خوراک اور توانائی کی کم قیمتوں کے ساتھ ساتھ پورے خطے میں مرکزی بینکوں کی چوکسی کی وجہ سے افراط زر میں کمی آرہی ہے۔ ایشین ڈیولپمنٹ آؤٹ لک ستمبر 2023 کے مطابق ترقی پذیر ایشیا اور بحر الکاہل کی معیشتوں میں 4.7 فیصد اضافہ متوقع ہے۔

پاکستان میں کئی یومر پرائس انڈیکس (سی پی آئی) مہنگائی اگست 2023 میں سالانہ بنیادوں پر 27.4 فیصد ریکارڈ کی گئی جب کہ اگست 2022 میں یہ 27.3 فیصد تھی۔ اگست 2023 میں اس میں 1.7 فیصد اضافہ ہوا جب کہ گزشتہ ماہ 3.5 فیصد اضافہ ہوا۔ عبوری حکومت نے اشیاء کی ذخیرہ اندوزی سے نمٹنے کے لیے سخت انتظامی اقدامات کیے ہیں اور اس کے نتیجے میں مہنگائی کے دباؤ میں کمی آئی ہے۔ حکومت کرنی ڈیلرز کی کڑی نگرانی کر کے غیر ملکی کرنی کے خلاف روپے کی قدر کو بہتر کرنے کے لیے بھی سختی سے کام کر رہی ہے اور اسی طرح متبادل ترسیلات زر کے نظام (حوالہ یا ہنڈی) کے خلاف کریڈٹ ڈاؤن کر رہی ہے جو رسمی بینکنگ چینلز سے بالا کام کرتا ہے۔ ان اقدامات سے روپیہ مضبوط ہوا ہے۔ اس کے بعد، حکومت نے روپے کی مضبوطی اور بین الاقوامی سطح پر پیٹرولیم مصنوعات کی قیمتوں میں کمی کے رجحان کی وجہ سے پیٹرولیم مصنوعات کی قیمتوں میں کمی کی ہے۔ امید ہے کہ ان عوامل سے مہنگائی کو کم کرنے میں مدد ملے گی اور اس کا کاروبار پر مثبت اثر پڑے گا۔

مانیٹری پالیسی کمیٹی نے ستمبر 2023 میں پالیسی ریٹ کو 22 فیصد پر برقرار رکھا ہے، جس کی وجہ سے افراط زر کی شرح میں بہتری آئی ہے۔

کاروبار اور آپریشن کا جائزہ

زیر جائزہ مدت کے دوران، کمپنی نے قبل از ٹیکس سے پہلے 3.851 ملین روپے کا نقصان کیا جو کہ پچھلے سال کی اسی مدت کے لیے 8.803 ملین روپے تھا۔ اس مدت کے دوران محصولات میں کافی بہتری آئی ہے اور اس میں 30.61 فیصد اضافہ ہوا ہے کیونکہ سہ ماہی کے دوران حاصل کردہ محصولات 37.321 ملین روپے رہے جو کہ گزشتہ سال کی اسی مدت کے دوران 28.575 ملین روپے تھے۔

ٹیکس کے بعد نقصان صرف 0.805 ملین روپے رہا جو کہ پچھلے سال کی اسی مدت کے دوران 9.018 ملین روپے تھا اور یہ 91.07 فیصد کی بہتری کو ظاہر کرتا ہے اور کمپنی تقریباً بریک ایون کو چھو چکی ہے۔ یہ واضح طور پر ظاہر کرتا ہے کہ آپ کی کمپنی کی سمت درست کردی گئی ہے اور اس میں بہتری آرہی ہے۔

مالیاتی نتائج درج ذیل ہیں:

تفصیلات		سہ ماہی مدت
30 ستمبر 2023	30 ستمبر 2022	
37,321,416	28,575,260	آمدنی
(3,851,545)	(8,803,576)	خسارہ قبل از پروویژن و ٹیکس
(1,997,842)	(631,307)	پروویژن
(3,046,495)	(215,337)	ٹیکس
(805,021)	(9,018,913)	خسارہ بعد از ٹیکس
(0.0003)	(0.07)	فی حصص آمدنی

اعتراف

ڈائریکٹرز اپنے صارفین کے قابل قدر تعاون کے لیے ان کے شکر گزار ہیں اور اسپانسرز کی مسلسل حمایت کے لیے ان کی کوششوں کو تسلیم کرنا چاہتے ہیں جو ہمارے مقاصد کے حصول کے لیے ہماری صلاحیتوں میں اضافے کا باعث ہوگی۔

منجانب / برائے بورڈ



سید طاہر نواز ش
چیئر مین



جناب باسٹرمین ملک
سی ای او اینڈ ڈائریکٹر

27 اکتوبر، 2023



Condensed Interim Financial Information (Un-audited)

For the period ended 30 September 2023

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	5	170,477,197	152,905,670
Intangible assets	6	4,858,887	4,502,622
Long term investments		25,087,500	25,087,500
Long term finances	7	48,847,298	77,935,344
Net investment in lease finances		-	-
Long term deposits		8,216,274	8,222,274
Deferred tax asset - net	8	118,948,020	118,948,020
		376,435,176	387,601,430
CURRENT ASSETS			
Current portion of non-current assets		29,882,165	34,724,427
Short term investments	9	87,729,791	119,900,864
Short term finances	10	94,393,929	90,978,260
Short term advances		2,493,706	5,091,968
Prepayments		3,314,846	2,001,113
Interest receivable		10,754,563	11,551,681
Other receivables		6,769,085	6,451,451
Tax refunds due from the government		66,418,965	61,207,475
Cash and bank balances	11	91,932,729	46,944,371
		393,689,779	378,851,610
TOTAL ASSETS		770,124,955	766,453,040
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 300,000,000 (2022: 300,000,000) ordinary shares of Rs. 10 each		3,000,000,000	3,000,000,000
Issued, subscribed and paid up capital		1,356,000,000	1,356,000,000
Capital reserves		158,584,246	158,584,246
Revenue reserve		(938,368,265)	(937,786,103)
Revaluation surplus on property and equipment		17,605,895	17,828,754
		593,821,876	594,626,897
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	12	63,007,985	54,317,475
		63,007,985	54,317,475
CURRENT LIABILITIES			
Current portion of non-current liabilities		8,325,150	3,817,255
Trade and other payables	13	102,584,290	109,957,745
Unclaimed dividend		2,385,654	2,385,654
Provision for taxation		-	1,348,014
		113,295,094	117,508,668
CONTINGENCIES AND COMMITMENTS	14	-	-
TOTAL EQUITY AND LIABILITIES		770,124,955	766,453,040

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (UN-AUDITED)

	Note	Quarter Ended	
		30-Sep-23 Rupees (Un-Audited)	30-Sep-22 Rupees (Un-Audited)
Income			
Profit on financing		16,042,627	15,663,172
Return on investments		8,302,836	4,971,847
Income from fee and commission		1,770,863	1,518,100
Profit on bank deposits		3,258,054	1,993,738
Other income		7,947,036	4,428,403
		37,321,416	28,575,260
Expenses			
Administrative expenses	15	37,654,724	35,622,190
Finance cost		1,520,366	1,125,339
		39,175,090	36,747,529
Operating loss before provisions and taxation		(1,853,674)	(8,172,269)
Other operating expenses		(1,997,842)	(645,752)
Reversal of provision for doubtful finances		-	14,445
Loss before taxation		(3,851,516)	(8,803,576)
Taxation - net		3,046,495	(215,337)
Net loss for the period		(805,021)	(9,018,913)
Loss per share - basic and diluted		(0.0003)	(0.07)

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (UN-AUDITED)

	Note	Quarter Ended	
		30-Sep-23 Rupees (Un-Audited)	30-Sep-22 Rupees (Un-Audited)
Loss after taxation		(805,021)	(9,018,913)
Other comprehensive income/ (loss):			
<i>Items that will not be reclassified to statement of profit or loss</i>			
<i>Items that may be reclassified subsequently to statement of profit or loss</i>			
(Loss) / profit on remeasurement of long term investments - net of tax		-	-
Other comprehensive income for the year - net of tax		-	-
Total Comprehensive loss for the Period		(805,021)	(9,018,913)

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (UN-AUDITED)

Rupees

Particulars	Issued, Subscribed and Paid up Capital	Capital Reserves		Revenue Reserve		Revaluation Surplus on Property and Equipment	Total
		Statutory Reserve	(Deficit) / Gain on Revaluation of Investments	Accumulated Loss	-		
Balance as at June 30, 2022 (audited)	1,356,000,000	158,496,746	87,500	(890,095,362)	18,767,110	643,255,994	
Total comprehensive Income / (loss) for the year							
Net loss for the period	-	-	-	(9,018,913)	-	(9,018,913)	
Other comprehensive Income / (loss) for the period	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(9,018,913)	-	(9,018,913)	
Transfer from surplus on revaluation of property and equipment on account of:							
Incremental depreciation on revalued asset for the period - net of tax	-	-	-	234,589	(234,589)	-	
Balance as at September 30, 2022 (Un-Audited)	1,356,000,000	158,496,746	87,500	(898,879,686)	18,532,521	634,237,081	
Balance as at June 30, 2023 (Audited)	1,356,000,000	158,496,746	87,500	(937,786,103)	17,828,754	594,626,897	
Total comprehensive Income / (loss) for the year							
Net loss for the period	-	-	-	(805,021)	-	(805,021)	
Other comprehensive income/ (loss) for the period	-	-	-	-	-	-	
Total comprehensive loss for the period	-	-	-	(805,021)	-	(805,021)	
Transfer from surplus on revaluation of property and equipment on account of:							
Incremental depreciation on revalued asset for the period - net of tax	-	-	-	222,859	(222,859)	-	
Balance as at September 30, 2023 (Un-Audited)	1,356,000,000	158,496,746	87,500	(938,368,265)	17,605,895	593,821,876	

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

CONDENSED INTERIM STATEMENT OF CASH FLOWS

FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (UN-AUDITED)

	Note	Quarter Ended	
		30-Sep-23 Rupees (Un-Audited)	30-Sep-22 Rupees (Un-Audited)
Cash Flow From Operating Activities			
Loss before taxation		(3,851,516)	(8,803,576)
Adjustment for non cash expenses and other items:			
- Depreciation on property and equipment	15	2,753,409	3,344,866
- Depreciation on right of use assets	15	1,992,800	2,209,173
- Amortization on intangible assets	6.1	99,970	149,946
- Recovery against provision for doubtful long term finances		-	(14,445)
- Interest on lease liabilities against right of use assets		1,136,808	1,091,187
- Finance cost		383,558	34,152
- Gain on sale of fixed assets - net		-	(3,682,570)
- Gain on investment in short term investments		-	27
- Allowance for expected credit losses		1,997,842	645,752
		8,364,387	3,778,088
		4,512,871	(5,025,488)
Decrease / (increase) in operating assets			
- Finances - net		28,516,797	(2,550,517)
- Investments		-	(60,158,319)
- Loans and advances		2,698,262	(8,128,937)
- Interest receivable		797,118	(108,958)
- Other receivables		(317,634)	(296,317)
- Long term deposits		6,000	610,407
- Prepayments		(1,313,733)	-
Increase / (decrease) in operating liabilities			
- Trade and other payables		(7,373,455)	(3,299,220)
		23,013,355	(73,931,861)
Net cash generated / (used) in operations		27,526,226	(78,957,349)
Finance cost paid		(383,558)	(34,152)
Taxation - net		(3,513,009)	(1,421,051)
Net cash generated / (used) in operating activities		23,629,659	(80,412,552)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property and equipment		(146,900)	(25,500)
Proceeds from sale of property and equipment		-	7,273,500
Capital expenditure on intangible assets		(456,235)	-
Short term investments - net		32,171,073	-
Net cash generated from investing activities		31,567,938	7,248,000
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(10,209,239)	(2,261,339)
Net cash used in financing activities		(10,209,239)	(2,261,339)
Net Increase / (Decrease) in Cash and Cash Equivalents During the Period		44,988,358	(75,425,891)
Cash and cash equivalents at the beginning of the period		46,944,371	116,323,821
Cash and Cash Equivalents at the End of the Period		91,932,729	40,897,930

The annexed notes from 1 to 21 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Chairman

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (UN-AUDITED)

1 Legal Status and its Nature of Business

Escorts Investment Bank Limited ("the Company") is a public limited company incorporated in Pakistan under the provisions of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on May 15, 1995. The Company started its commercial operations on October 16, 1996 and is listed on the Pakistan Stock Exchange Limited. The Company is licensed to carry out investment finance services, as a Non-Banking Finance Company under Section 282-C of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). The registered office of the company is situated at 26-Davis Road, Lahore.

The Pakistan Credit Rating Agency (PACRA) has revised long term Credit Rating of the Company at "BBB+" and maintained short term Credit Ratings of the Company at "A2" respectively with negative outlook on September 19, 2023. The ratings denote an adequate capacity of timely payment of financial commitments.

Moreover, during the period a Public Announcement of Intention by RMS (Private) Limited to acquire up to 87.96% of the ordinary shares of Escorts Investment Bank Limited is served on 11 August 2023 by Arif Habib Limited (Manager to the Offer).

2 Basis of Preparation

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;
- Provision of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, and the NBFC Regulations have been followed.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2023. This condensed interim financial information is being presented and submitted to the shareholders as required by Listing Regulations of Pakistan Stock Exchange and under Section 237 of the Companies Act, 2017.

3 Accounting Policies

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023. This interim financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2023.

4 Critical Accounting Estimates and Judgements

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
5 Property and equipment			
Operating fixed assets - tangible	5.1	110,796,250	113,402,759
Right of use assets	5.2	59,355,493	39,077,457
Advances against purchase of assets		325,454	425,454
		170,477,197	152,905,670
5.1 Operating fixed assets - tangible			
Opening net book value		113,402,759	128,506,864
Cost of addition		146,900	3,779,921
Less: Book value of deletion during period / year		-	5,696,815
Less: Depreciation for the period / year		2,753,409	13,187,211
Closing net book value		110,796,250	113,402,759
	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
5.2 Right-of-use assets			
Opening balance		39,077,457	51,331,311
Additions		22,270,836	-
Depreciation	15	(1,992,800)	(8,407,248)
Adjustment relating to termination of lease		-	(2,505,116)
Adjustment relating to remeasurement of lease liability	12.1	-	(1,341,490)
		59,355,493	39,077,457
Depreciation rate		10% - 15%	10% - 15%

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
6 Intangible Assets			
Accounting software	6.1	1,099,793	1,199,763
Advance for ERP implementation		3,759,094	3,302,859
		4,858,887	4,502,622
6.1 Accounting software			
Net carrying value			
At 01 July		1,199,763	1,799,553
Less: Amortization charge	15	99,970	599,790
		1,099,793	1,199,763
7 Long Term Finances			
Considered good	7.1	73,300,991	107,357,550
Considered doubtful	7.2	43,887,626	43,064,803
		117,188,617	150,422,353
Less: Allowance for expected credit losses		40,495,280	39,818,371
		76,693,337	110,603,982
Less: Current portion		27,716,180	32,558,442
Less: General provision for micro finance portfolio		129,859	110,196
		48,847,298	77,935,344
7.1 Considered good			
House finance - secured	7.1.1	50,721,556	88,564,838
Micro finance	7.1.2	22,579,435	18,792,712
		73,300,991	107,357,550

7.1.1 This represents amount disbursed to house finance customers at return rate ranging from 14.04% to 27.43% (30 June 2023: 14.04% to 22.37%) per annum for tenure of 2 to 20 years.

7.1.2 This represents amount disbursed to micro finance customers at return rate ranging from 48.2% to 51.4% (30 June 2023: 48.2% to 51.4%) per annum for tenure of 1 to 2 years.

8 Deferred tax asset - net

Net deferred tax asset has been recognised for all temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management of the Company is certain that the Company would have taxable profits in foreseeable future.

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
9 Short Term Investments			
Amortized cost			
Treasury bills	9.1	81,649,954	114,081,229
Fair value through profit or loss (FVTPL)			
Mutual funds - 469.4184 (2023: 469.4184) units of Rs. 6.5328 (2023: Rs. 6.5328) each		3,067	3,067
Shares - others	9.2	6,076,770	5,816,568
		87,729,791	119,900,864
9.1 Treasury bills			
Face Value		84,000,000	119,000,000
Less: Discount		(2,350,046)	(4,918,771)
		81,649,954	114,081,229

9.1.1 Investment in treasury bills is made for 3 months tenure and effectively yield ranging from 14.90% to 21.95% (2023: 12.75% to 14.45%) per annum.

9.2.1 This represents investments in various listed companies' shares. Due to the changes in NBFC Regulations in 2008, the Company had to conclude its brokerage business under the Investment Finance Services License. The Company started the process of intimating its brokerage clients to close their accounts with the Company in compliance with these regulations. Most of the account holders have closed their accounts accordingly. Certain accounts could not be transferred/closed because of non receipt of response from the holders despite repeated reminders. The management has decided to record these in statement of financial position as an asset and a corresponding liability of the same amount. These shares are kept at fair value and the fair value gain or loss is parked in corresponding liabilities.

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
10 Short Term Finances			
Micro Finance		107,730,631	103,013,692
Less: Allowance for expected credit losses		12,881,356	11,578,255
		94,849,275	91,435,437
Less: General provision for micro finance portfolio		455,346	457,177
		94,393,929	90,978,260

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
11 Cash and Bank Balances			
Cash in hand		3,537,855	1,980,372
Cash with banks			
Current accounts with			
- State Bank of Pakistan		98,354	98,354
- Others		73,450	531,397
		171,804	629,751
Saving and deposit accounts	11.1	88,223,070	44,334,248
		91,932,729	46,944,371

11.1 Rate of return on saving accounts range from 19.50% to 20.5% (2023: 12.25% to 19.5%) per annum.

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
12 Lease Liabilities			
Lease liabilities - Branches		54,586,185	55,968,745
Lease liabilities - Vehicles		14,580,965	-
	12.1	69,167,150	55,968,745
Less: Current portion		6,159,165	1,651,270
		63,007,985	54,317,475

12.1 Set out below are the carrying amounts of lease liabilities and the movements during the period.

Opening balance		55,968,745	66,005,185
Additions		14,828,100	-
Interest on finance lease		1,136,808	4,058,917
Adjustment relating to termination of lease		-	(3,941,756)
Adjustment relating to remeasurement of lease liability	5.2	-	(1,341,490)
Payments		(2,766,503)	(8,812,111)
Closing balance		69,167,150	55,968,745

13 Trade and Other Payables

This includes an amount of Rs. 67.423 million (30 June 2023: Rs. 67.423 million) payable to depositors. This remained unpaid due to non-submission of succession certificates (by legal heirs of depositors), lien created by Bahria Town and other legal issues.

14 Contingencies and Commitments

14.1 Contingencies

There is no significant change in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended 30 June 2023.

	Note	30-Sep-23 Rupees (Un-Audited)	30-Jun-23 Rupees (Audited)
14.2 Commitments			
ERP implementation		4,981,065	4,981,065

	Note	Quarter ended	
	Note	30-Sep-23 Rupees (Un-Audited)	30-Sep-22 Rupees (Un-Audited)
15 Administrative Expenses			
Salaries, allowance and other benefits	15.1	23,860,005	20,303,444
Advertisement and business promotion		27,906	-
Rent, rates and taxes		468,720	1,804,700
Utilities		1,751,101	1,440,822
Communication charges		670,151	611,404
Travelling and vehicle maintenance		426,284	503,013
Repairs and maintenance		1,500,008	756,319
Entertainment		218,379	185,903
Fees and subscriptions		614,312	920,243
Legal and professional charges		1,985,762	2,345,111
Printing and stationery		260,407	298,627
Insurance		1,025,510	748,619
Depreciation on property and equipment	5.1	2,753,409	3,344,866
Depreciation on right of use assets	5.2	1,992,800	2,209,173
Amortization on intangible assets	6.1	99,970	149,946
		37,654,724	35,622,190

15.1 This includes contribution to provident fund amounting to Rs. 0.468 million (2023: Rs. 2.084 million) made by the Company in the approved provident fund trust.

16 Segmental Analysis

The Company's activities are broadly categorized into two primary business segments namely financing activities and investment activities within Pakistan:

16.1 Financing activities

House finance activities

House finance activities include providing long-term financing facilities to individuals (both salaried and self-employed) of house finance customers.

Micro finance activities

Micro finance activities include providing long-term and short-term financing facilities to poor individuals (both salaried and self-employed) and micro - enterprise customers.

Term and other finance activities

Term finance activities include providing long-term financing facilities to corporate entities and individuals. Other operations that do not fall into the above referred activities are reported under 'Term and other finance activities'.

16.2 Investment activities

Investing activities include money market activities, investment in government securities, advisory services, capital market activities and the management of the Company's liquidity.

	Quarter ended 30 September 2023 (Un-Audited)			(Rupees)	
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Profit on financing	3,472,678	12,569,949	-	-	16,042,627
Income from fee and commission	28,000	1,742,863	-	-	1,770,863
Return on investments	-	-	-	11,560,890	11,560,890
Other income	2,498,435	302,240	-	-	2,800,675
Total income of segment	5,999,113	14,615,052	-	11,560,890	32,175,055
Finance costs	-	1,136,808	-	383,558	1,520,366
Other expenses	-	1,997,842	-	-	1,997,842
Depreciation expense	202,195	778,224	-	3,765,790	4,746,209
Administrative expenses	858,320	3,414,206	-	28,635,989	32,908,515
Segment result	4,938,598	7,287,972	-	(21,224,447)	(8,997,877)
Other income - unallocated					5,146,361
Other expenses - unallocated					-
Loss before taxation					(3,851,516)

	As at 30 September 2023 (Un-Audited)			(Rupees)	
	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Segment assets	61,787,504	217,131,784	2,165,985	113,505,236	394,590,509
Cash and bank balances					91,932,729
Unallocated assets					283,601,717
					<u>770,124,955</u>
Segment liabilities	1,804,185	58,072,722	-	-	59,876,907
Unallocated liabilities					116,426,172
Equity					593,821,876
					<u>770,124,955</u>

Quarter ended 30 September 2022 (Un-Audited)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
	Rupees	Rupees	Rupees	Rupees	Rupees
Profit on financing	6,290,483	9,372,689	-	-	15,663,172
Income from fee and commission	-	1,518,100	-	-	1,518,100
Return on investments	-	-	-	6,965,585	6,965,585
Other income	521,619	238,659	-	-	760,278
Total income of segment	6,812,102	11,129,448	-	6,965,585	24,907,135
Finance costs	10,123	1,100,530	-	14,686	1,125,339
Administrative expenses	9,598,792	24,429,997	-	1,593,401	35,622,190
Other operating expenses	-	645,752	-	-	645,752
Segment result	(2,796,813)	(15,046,831)	-	5,357,498	(12,486,146)
Other income - unallocated					3,682,570
Other expenses - unallocated					-
Loss before taxation					(8,803,576)

As at 30 June 2023 (Audited)
(Rupees)

	Financing activities			Investing activities	Total
	House finance activities	Micro finance activities	Term & other finance activities		
Segment assets	100,662,043	172,982,337	2,165,985	146,694,666	422,505,031
Cash and bank balances					46,944,371
Unallocated assets					297,003,638
					<u>766,453,040</u>
Segment liabilities	2,741,700	59,289,370	1,147,972	1,018,013	64,197,055
Unallocated liabilities					107,629,088
Equity					594,626,897
					<u>766,453,040</u>

All non-current assets of the Company are located in Pakistan.

17 Transactions with Related Parties

The related parties and associated undertakings comprise, associated companies / undertakings, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

		Quarter Ended	
		30-Sep-23	30-Sep-22
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)
Transactions during the period			
Relationship	Nature of transaction		
Holding Company	Bahria Town (Private) Limited		
	Rent expense	-	1,500,000
	Utilities and maintenance expense	269,304	167,167
Executives	Remuneration to key management personnel	11,352,497	3,938,518
Employees Provident Fund	Contribution for the year	467,665	568,217
		30-Sep-23	30-Jun-23
		Rupees	Rupees
		(Un-Audited)	(Audited)
Outstanding balance as at period / year end			
Holding Company	Trade and other payables	292,249	292,249
	Other receivable	836,550	836,550
	Security deposit against	7,627,674	7,627,674
Associated Company	Entertainment expense payable	11,600	11,600

18 Financial Risk Management

The Company's activities expose itself to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2023.

The Company's financial risk management objective and policies are consistent with those disclosed in the annual financial statements of the Company and for the year ended 30 June 2023.

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their face value.

19 Fair Values of Financial Instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.

20 Date of Authorization for Issue

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on October 27, 2023.

21 General

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

The corresponding figures have been rearranged, wherever considered necessary for the purpose of comparison and better presentation the effect of which is not material.

Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Chief Financial Officer



Chairman



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